



County	Contact	Premium Hay (\$/ton)	Top Quality Hay (\$/ton)	Other Hay (\$/ton)	Cut Complete/ Condition
Chaves	Sandra Barraza, County Agent	\$140-190 large (Del); \$200-240 small bales in barn	\$130+ large (Del)	\$125 large rained on; \$200-220 Bermuda	3 <sup>rd</sup> cut 80%; Hay being put up in barns. Low milk prices affecting hay sales.
Dona Ana	Rafa Realivasquez, County Agent	\$175 large; \$6.00-6.50/bale small	\$155 large; \$4.50-5.00/bale small	\$135 large; \$3.00-3.75/bale	4 <sup>th</sup> cut 100%; Dairies waiting on better prices or giving IOUs; Horse hay moving well
Eddy	Woods Houghton, County Agent	\$175-220 large bales	\$165-200 large	\$140-165 large	3 <sup>rd</sup> cut 100%; 4 <sup>th</sup> cut 50%; Dairies need hay, but having trouble paying
Hidalgo	Christy Rubio, County Agent	\$140 large	\$120 large	\$95 oat hay; \$70 rained on	3 <sup>rd</sup> 100%, 4 <sup>th</sup> 50%; some contracted; some stacked, waiting for better market
Lea	Wayne Cox, County Agent	\$185-190 large; \$200-205 small	\$170-180 large; \$190 small	\$155 and up	4 <sup>th</sup> cut 90%
Roosevelt	Patrick Kircher, County Agent	\$175+ large; \$200 small bales	\$165-175 large	As low as \$140 rained on black hay	3 <sup>rd</sup> cut 75%; Area showers slowing baling; some grasshopper activity

### The Alfalfa Farmer's 2<sup>nd</sup> Best Friend

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Given this title, I am sure you are asking yourself who is the alfalfa farmer's best friend? After reading Dr. Hagevoort's comments last month, I will concede that honor to the dairy cow. Those black and whites feed many American families in more ways than one. However, have you considered your second best friend lately, those other black and whites—Paint Horses for example? Alfalfa has been and will continue to be a mainstay of the horse industry as a component of a high quality diet especially in New Mexico.

While Dr. Hagevoort forecasts a possible decrease in demand for alfalfa hay given the turmoil in the dairy industry, your second best friend may be the target market that you need to develop this season.

Diversification is the cornerstone of many multi-national companies, such as General Electric, that allows them to weather tough economic times. Therefore, if your market for dairy hay is dwindling, why not refocus your marketing efforts on expanding your sales to customers in the horse industry? See comments on Dona Ana, Eddy and Hidalgo Counties in above table.

In May 2006, the National Agricultural Statistical Service reported that there were approximately 340,000 dairy cows in the state. In 2005, the American Horse Council estimated that there were 147,000 horses in New Mexico with 60% of those being primarily involved in showing and recreation activities. A recent report from NMSU (2009), estimated that there were approximately 14,600 horses in New Mexico in 2006 that were primarily involved with horse racing or related breeding activities. From these numbers, it is

clear that horses probably will not replace the dairy cow as the alfalfa farmer's best friend, but they can provide the diversification that may help you weather tough economic times.

In terms of influencing buying decisions, price is probably the most important factor followed by quality and convenience as close seconds. As a marketer, you have the ability to control all of these—price, product quality, and convenience. I leave alfalfa hay pricing strategy to you, the experts. You also determine the quality of the hay that you produce. Therefore, I want to draw your attention to the convenience issue. I am sure that many of you already sell some hay to horse owners. Yet, I have talked to many horse owners and feed retailers that say they have a hard time finding small square bales to purchase in New Mexico. We all realize that small square bale harvesting requires more time, effort, and labor. However, most horse owners do not have the equipment to deal with feeding large bales. Furthermore, they often do not have the resources to haul small square bales themselves or even know how to contact people that are in the business of commercial hay hauling. This is where you can add value to your product and expand your market base. Taking on this added burden can cause some headaches; however, making it more convenient for your horse owning customer can be offset by incorporating these costs into the premium price that you receive.

Hopefully by now you are at least considering fine tuning your hay marketing program towards the horse owner. I am sure that many of you that routinely market hay to horse owners have posted ads in the local "trader" paper or posted business cards at the feed store or livestock auction. That is certainly one way of getting the word out, but how can you get the "biggest bang for your buck" so to speak? From the numbers above, we see that most horses are used for showing and recreation activities. Most horses in this grouping are owned by people owning less than five horses, so they probably won't purchase semi-loads at a time. However, if you advertise price discounts on bulk deliveries this may be the incentive horse people need to get together to split a load, etc. Attending local horse shows or other functions in your market area where you provide a sample bale along with your contact information to prospective clients may be a good way to get your foot in the door with this segment of the horse owning public. Often times horse owners are considered too picky or hard to deal with, I won't say that this doesn't happen. Yet, most horse owners simply want a quality product for the price they pay with no hidden surprises. Customer service is the key to building your horse hay business. In addition to the quality product and the ease of possession, be sure to spell out your return policy (e.g., weedy bales, moldy bales, etc.) and any guarantees that you are willing to make so both parties know what is and is not returnable.

If the dairy industry has been one of your biggest customers, then you are probably used to and prefer to deal with bulk hay deliveries. To continue dealing with bulk hay sales, you will need to go where the horses are congregated. This means large horse breeding farms or boarding stables, the race tracks and training facilities, and the retailers that supply them. If you haven't done so already, this may be the season that you investigate supplying hay to the local feed store. If you have the hay yield and means of distribution, then you may wish to target customers that can take large semi-loads, specifically large breeding farms and the race tracks. Most of the large race horse breeding farms in New Mexico have their contact information listed on the New Mexico Horse Breeders home page ([www.nmhorsebreeders.com](http://www.nmhorsebreeders.com)), and links to the race tracks can be found there also.

As with any new business endeavor, there will probably be some hurdles to cross in opening these "new" markets for you. However, the effort expended may pay dividends in the future by establishing a broader client base with an annual demand for your product. In closing, I hope that this letter has provided some ideas to help you explore your local horse hay market or to think about alternatives to contracting your hay solely with the dairy industry. People love their horses, and their horses will continue to eat! As an innovative entrepreneur, you can help determine what they eat.

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